



Denali Commission
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May 13, 2005

Jerry Isaac
President
Tanacross Village Council
PO Box 76009
Tanacross, AK 99776-6009


Dear Mr. Isaac:

RE: Request for Budgets for Tanacross Multiuse Facility and Primary Care Clinic

This letter is written in response to your letter dated April 26, 2005 and received by the Denali Commission (Commission) on April 26, 2005.

The Commission has reviewed the material and documentation you provided regarding the cost overruns for the Tanacross clinic and multiuse facility (MUF) projects. As Mr. Paul McIntosh and Ms. Tessa Rinner of my staff indicated during their meeting with you, Bruce Steely, and Gary Matthews on May 9, 2005 the Commission requires the following information/deliverables to consider your request for additional funds:

- 100% final design (including construction cost estimate) to be conducted by an independent estimating firm. Costs associated with this final design will be reimbursed to Tanacross Village Council by the Alaska Native Tribal Health Consortium (ANTHC) from the existing clinic design/construction award. The Commission's Health Facility Program funds construction based on three milestones: 1) all permits secured; 2) 100% construction cost estimate (final design); and 3) documentation that Tanacross has the required 20% cost share match "in hand" for the clinic portion of the project.
- Confirmation that the total clinical space in the 10,000 square foot (SF) building does not exceed 2,580 SF, the eligible clinical space for the community of Tanacross.
- After the 100% final design (including construction cost estimate) is completed provide documentation regarding the amount of funds necessary to complete the clinic portion of the project. This may include shared mechanical/electrical components, but should not included build-out of the multi-use space.

The Commission understands that you have been moving forward with the clinic and MUF project, and have poured the foundation, had the building delivered, and recently received delivery of steel for construction. It is unfortunate that a decision was made to proceed with construction without 100% design and cost estimates based on that design and without the funding to complete the project. Neither the Commission nor our partner ANTHC concurred with that decision. The Commission has a process for funding and evaluating projects as ANTHC, our program partner, has clearly articulated to you since the original clinic funds were awarded in Federal Fiscal Year 2002. The Commission

cannot use Health Facility clinic funds to "shell out" the 10,000 SF facility. The Commission is willing to work with Tanacross to complete the clinic portion of the project within the Commission guidelines. However, there appears to be a very significant shortfall in funding for the balance of the structure you have commenced constructing.

We encourage you to compete in the upcoming round of MUF funding, which will be published via Request for Proposal (RFP) by the end of May 2005, which potentially could provides some of the needed funding.

Please contact Ms. Tessa Rinner of my staff with any questions, 907.271.1414, trinner@denali.gov.

Sincerely,



Al Ewing
Executive Director

CC: Bruce Steely/Gary Matthews, DIHTHAAD (via e-mail)
Roger Marcil/Devan Currier/Dan Williams, ANTHC (via e-mail)
Judy Haymaker, A-DCCED (via e-mail)
Tessa Rinner/Paul McIntosh, Denali Commission (via e-mail)

File: Chronological
0071-DC-2002-I24/Correspondence
0094-DC-2003-I9/Correspondence